AMENDMENT TO H.R. 1401, AS REPORTED OFFERED BY MR. THUNE OF SOUTH DAKOTA OR MR. STENHOLM OF TEXAS

At the end of subtitle B of title VII (page 224, after line 24), insert the following new sections:

SEC. 713. ELECTRONIC PROCESSING OF CLAIMS UNDER THE TRICARE PROGRAM.

Section 1095c of title 10, United States Code, as added by section 711, is amended by adding at the end the following new subsection:

''(c) INCENTIVES FOR ELECTRONIC PROCESSING.—The Secretary of Defense shall require that new contracts for managed care support under the TRICARE program provide that the contractor be permitted to provide financial incentives to health care providers who file claims for payment electronically.''.

SEC. 714. STUDY OF RATES FOR PROVISION OF MEDICAL SERVICES; PROPOSAL FOR CERTAIN RATE INCREASES.

Not later than February 1, 2000, the Secretary of Defense shall submit to Congress—

(1) a study on how the maximum allowable rates charged for the 100 most commonly performed medical procedures under the Civilian Health and

Medical Program of the Uniformed Services and Medicare compare with usual and customary commercial insurance rates for such procedures in each TRICARE Prime catchment area; and

(2) a proposal for increases of maximum allowable rates charged for medical procedures under the Civilian Health and Medical Program of the Uniformed Services should the study conducted under paragraph (1) find 20 or more rates which are less than or equal to the 50th percentile of the usual and customary commercial insurance rates charged for such procedures.

SEC. 715. REQUIREMENTS FOR PROVISION OF CARE IN GEOGRAPHICALLY SEPARATED UNITS.

(a) CONTRACTUAL REQUIREMENT.—The Secretary of Defense shall require that all new contracts for the provision of health care under TRICARE Prime include a requirement that the TRICARE Prime Remote network, to the maximum extent possible, provide health care concurrently to members of the Armed Forces in geographically separated units and their dependents in areas outside the catchment area of a military medical treatment facility.

(b) REPORT ON IMPLEMENTATION.—Not later than May 1, 2000, the Secretary shall submit to Congress a report on the extent and success of implementation of the

requirement under subsection (a), and where concurrent implementation has not been achieved, the reasons and circumstances that prohibited implementation and a plan to provide TRICARE Prime benefits to those otherwise eligible covered beneficiaries for whom enrollment in a TRICARE Prime network is not feasible.

SEC. 716. IMPROVEMENT OF ACCESS TO HEALTH CARE UNDER THE TRICARE PROGRAM.

(a) WAIVER OF NONAVAILABILITY STATEMENT OR PREAUTHORIZATION.—In the case of a covered beneficiary under chapter 55 of title 10, United States Code, who is a TRICARE eligible beneficiary not enrolled in TRICARE Prime, the Secretary of Defense may not require with regard to authorized health care services (other than mental health services) under any new contract for the provision of health care services under such chapter that the beneficiary—

(1) obtain a nonavailability statement or preauthorization from a military medical treatment facility in order to receive the services from a civilian provider; or

(2) obtain a nonavailability statement for care in specialized treatment facilities outside the 200-mile radius of a military medical treatment facility.

(b) NOTICE.—The Secretary may require that the covered beneficiary provide appropriate notice to the primary care manager of the beneficiary.

(c) EXCEPTIONS.—Subsection (a) shall not apply if—

(1) the Secretary can demonstrate significant cost avoidance for specific procedures at the affected military treatment facilities;

(2) the Secretary determines that a specific procedure must be maintained at the affected military treatment facility to ensure the proficiency levels of the practitioners at the facility; or

(3) the lack of nonavailability statement data would significantly interfere with TRICARE contract administration.

SEC. 717. REIMBURSEMENT OF CERTAIN COSTS INCURRED BY COVERED BENEFICIARIES WHEN REFERRED FOR CARE OUTSIDE LOCAL CATCHMENT AREA.

The Secretary of Defense shall require that any new contract for the provision of health care services under chapter 55 of title 10, United States Code, shall require that in any case in which a covered beneficiary under such chapter who is enrolled in TRICARE Prime is referred by a network provider or military treatment facility to a provider or military treatment facility more than 100

miles outside the catchment area of a military treatment facility because a local provider is not available, or in any other respect not within the terms of a new managed care support contract, the beneficiary shall be reimbursed by the network provider or military treatment facility making the referral for the cost of personal automobile mileage, to be paid under standard reimbursement rates for Federal employees, or for the cost of air travel in amounts not to exceed standard contract fares for Federal employees.

SEC. 718. IMPROVEMENT OF REFERRAL PROCESS UNDER TRICARE.

(a) ELIMINATION OF PREAUTHORIZATION REQUIREMENTS FOR CERTAIN CARE.—Under regulations prescribed by the Secretary of Defense, and in all new managed care support contracts the Secretary shall eliminate requirements in certain cases under TRICARE Prime that network primary care managers preauthorize covered beneficiaries under chapter 55 of title 10, United States Code, to receive preventative health care services within the managed care support contract network without preauthorization from a primary care manager.

(b) COVERED SERVICES.—Should such a covered beneficiary choose to receive care from a provider in the

network, the covered beneficiary shall not be required to have a referral from a primary care manager—

(1) for receipt of preventative obstetric or gynecological services by a network obstetrician or gynecologist;

(2) for mammograms performed by a network provider if the beneficiary is a female over the age of 35; or

(3) for provision of preventative specialty urology care from a network urologist if the beneficiary is a male over the age of 60.

(c) NOTICE.—The Secretary may require that the covered beneficiary provide appropriate notice to the primary care manager of the beneficiary.

(d) REGULATIONS.—The Secretary shall prescribe the regulations required by subsection (a) not later than May 1, 2000 and implement the regulations not later than October 1, 2000.